

Message Text

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PAGE 01 ADDIS 13422 111046Z

12

ACTION AF-07

INFO OCT-01 ISO-00 EB-04 RSC-01 /013 W
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R 110810Z NOV 74

FM AMEMBASSY ADDIS ABABA

TO SECSTATE WASHDC 1826

INFO USDOC WASHDC

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STATE FOR AF/EPS

COMMERCE FOR MANLEY/BIC

E.O.11652: N/A

TAGS: BGEN ETRD BEXP ET

SUBJ: TRADE ASSISTANCE: ETHIOPIAN FERTILIZER IMPORTS:

ETHIOPIA AMALGAMATED PRIVATE LTD, ADDIS ABABA

REF: ADDIS 11530, OCT. 15, 1973

1. IN SEPTEMBER OF LAST YEAR, ETHIOPIA AMALGAMATED LTD. (EA) SIGNED CONTRACT WITH INTERNATIONAL ORE AND FERTILIZER CORP. (A SUBSIDIARY OF OCCIDENTAL PETROLEUM) FOR THE SUPPLY OF 12,000 TONS OF DAP IN OCTOBER/NOVEMBER 1974. THIS AMOUNT REPRESENTS SUBSTANTIAL PROPORTION OF ETHIOPIA'S 1975 DAP REQUIREMENTS. ETHIOPIAN GOVERNMENT PURCHASER IS EPID (EXTENSION AND PROJECT IMPLEMENTATION DEPARTMENT OF MINISTRY OF AGRICULTURE).

2. ACCORDING TO GEBREYES BEGNA, EA'S GENERAL MANAGER AND MAJOR SHAREHOLDER, INTERNATIONAL ORE (AS ALLIED CHEMICAL, LAST YEAR'S SUPPLIER) HAS NOW INFORMED HIM THAT IT MIGHT NOT HONOR CONTRACT BECAUSE OF INCREASE IN WORLD PRICES. IN MEANTIME, ETHIOPIAN MINISTRY OF FOREIGN AFFAIRS HAS CALLED EMBASSY TO EXPRESS ITS CONCERN RE AMERICAN COMPANY'S POSSIBLE FAILURE TO HONOR AGREEMENT. THIS SHIPMENT DESTINED FOR MAJOR AGRICULTURAL DEVELOPMENT PROJECTS INCLUDING CADU AND WADU, AFFECTING 24,000 SMALL-SCALE FARMERS, AND REPRESENTS SAVINGS

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PAGE 02 ADDIS 13422 111046Z

OF ABOUT US\$4 MILLION OVER CURRENT MARKET PRICES.

3. EMBASSY REQUESTS THAT DEPT ASCERTAIN FACTS DIRECTLY FROM INTERNATIONAL ORE AND, IF AS DESCRIBED BY EA, INDICATE IMPLICATIONS SUCH ACTION FOR AMERICAN BUSINESS REPUTATION ETHIOPIA, BOTH WITH PRIVATE SECTOR AND GOVERNMENT. ATO GEBREYES' PRINCIPAL CONTACT HAS BEEN MR. B.D. COOPER, PRESIDENT, INTERNATIONAL ORE AND FERTILIZER CORPORATION, 380 MADISON AVENUE, NEW YORK, NY 10017, TELEPHONE 687-6800. EA'S GENERAL MANAGER PLANS TO FLY NEXT WEEK TO AMERICAN COMPANY'S OFFICES IN ROME AND NEW YORK AND POSSIBLY DISCUSS MATTER WITH DEPT THEREAFTER.

4. COPY CONTRACT BEING FORWARDED DIRECTLY TO AF/EPS UNDER SEPARATE COVER.

5. DECLASSIFY UPON RECEIPT.
WYMAN

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Message Attributes

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